

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE
NOVEMBER 18, 2008**

ITEM 4

SUBJECT

CONSIDERATION OF A RESOLUTION TO ALLOCATE AN ADDITIONAL \$2.5 MILLION FROM THE CLEANUP AND ABATEMENT ACCOUNT (CAA) TO THE LAHONTAN REGIONAL WATER QUALITY CONTROL BOARD (LAHONTAN REGIONAL WATER BOARD) TO COMPLETE IMPROVEMENTS AT LEVIATHAN MINE PROJECT

DISCUSSION

The Regional Water Board requests funding in the amount of \$2.5 million to complete a pond liner replacement and road paving improvements at the Leviathan Mine.

Leviathan Mine is an inactive sulfur mine located in the eastern Sierra Nevada Mountains in Alpine County. Jurisdiction over the Leviathan Mine rests with the State Water Resources Control Board (State Water Board), which, in turn, has delegated jurisdiction to the Lahontan Regional Water Board.

Degradation of water quality in Leviathan and Aspen Creeks occurs as a result of the discharge of acid mine drainage (AMD) from the Leviathan Mine. AMD from the Leviathan Mine can be characterized as a dilute sulfuric acid solution containing dissolved metals, including: iron, aluminum, arsenic, nickel, and copper.

The evaporation ponds at the site were constructed in 1984 with liners, piping, and appurtenances that had a 20-year useful life. The ponds store AMD until it can be treated on-site and discharged safely. The liners and associated piping have exceeded their useful life and are showing signs of failure. Leakage from the ponds and piping poses a significant threat to the structural integrity of the ponds and to the health of Leviathan Creek, as the ponds are constructed on unconsolidated mine waste, with significant side slopes. If the liners fail, the AMD could erode the impoundment and flow into Leviathan Creek.

Due to the Leviathan Mine's remote, mountainous location at an elevation of 7000 feet above sea level, access to the site is challenging. The site is located between California State Highway 89 and U.S. Highway 395 (in Nevada). Access through a U.S. Forest Service dirt road makes the required treatment operations and monitoring difficult. The traffic required for treatment operations include trucks hauling heavy equipment, dump trucks with 20-cubic yard capacity trailers, fuel tanker trucks, and lime-slurry tanker trucks (over-the-highway tractor-trailer vehicles). Road repair expenses have totaled approximately \$500,000 since 1999. Annual roadwork expenses are expected to continue as long as the access road is unpaved. Access to the site is necessary to cleanup the waste and abate its effects, and paving the road will facilitate access and will significantly reduce future road repair expenses.

The requested allocation is consistent with the purposes of California Water Code (CWC) §13442. CWC §13442 provides that the State Water Board may order moneys to be paid from CAA to a public agency with authority to cleanup or abate the effects of a waste in order to “assist in cleaning up the waste or abating its effects on waters of the state.”

POLICY ISSUE

Should the State Water Board:

Approve additional funds of \$2.5 million from the CAA to the Lahontan Regional Water Board to complete improvements including a pond liner replacement and road paving at the Leviathan Mine Project.

FISCAL IMPACT

The CAA has an uncommitted balance of \$12,570,873 as of October 7, 2008.

REGIONAL WATER BOARD IMPACT

Yes. Lahontan Regional Water Quality Control Board.

STAFF RECOMMENDATION

That the State Water Board approve additional funds of \$2.5 million, from the CAA to the Lahontan Regional Water Board to complete improvements including a pond liner replacement and road paving at the Leviathan Mine Project.

DRAFT

STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2008-

ALLOCATE AN ADDITIONAL \$2.5 MILLION FROM THE
CLEANUP AND ABATEMENT ACCOUNT (CAA) TO THE LAHONTAN REGIONAL WATER
QUALITY CONTROL BOARD (LAHONTAN REGIONAL WATER BOARD) TO COMPLETE
IMPROVEMENTS AT LEVIATHAN MINE PROJECT

WHEREAS:

1. The Lahontan Regional Water Board requests funding in the amount of \$2.5 million to complete improvements for a pond liner replacement and road paving at the Leviathan Mine Project;
2. Leviathan Mine is an inactive sulfur mine located in the eastern Sierra-Nevada Mountains in Alpine County. Jurisdiction over the Leviathan Mine rests with the State Water Resources Control Board (State Water Board), which, in turn, has delegated jurisdiction to the Lahontan Regional Water Board;
3. The evaporation ponds at the site were constructed in 1984 with liners, piping, and appurtenances that had a 20-year useful life. Access to the site is necessary to cleanup the waste and abate its effects, and paving the road will facilitate access and will significantly reduce future road repair expenses. The liners and associated piping have exceeded their useful life and are showing signs of failure. Leakage from the ponds and piping poses a significant threat to the structural integrity of the ponds and to the health of Leviathan Creek, as the ponds are constructed on unconsolidated mine waste with significant side slopes;
4. Due to the Leviathan Mine's remote, mountainous location at an elevation of 7000 feet above sea level, access to the site is challenging. The site is located between California State Highway 89 and U.S. Highway 395 (in Nevada). Access through a U.S. Forest Service dirt road makes the required treatment operations and monitoring difficult. The type of traffic required for treatment operations include trucks hauling heavy equipment, dump trucks with 20-cubic yard capacity trailers, fuel tanker trucks, and lime-slurry tanker (over-the-highway tractor-trailer vehicles). Road repair expenses have totaled approximately \$500,000 since 1999. Annual roadwork expenses are expected to continue as long as the access road is unpaved. Access to the site is necessary to cleanup the waste and abate its effects, and paving the road will facilitate access and will significantly reduce future road repair expenses.
5. The requested allocation is consistent with the purposes of California Water Code (CWC) §13442. CWC §13442 provides that the State Water Board may order moneys to be paid from CAA to a public agency with authority to cleanup or abate the effects of a waste in order "to assist in cleaning up the waste or abating its effects on waters of the state."

D R A F T

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Approves additional funds of \$2.5 million, from the CAA to the Lahontan Regional Water Board to complete improvements including a pond liner replacement and road paving at the Leviathan Mine Project.
2. The funds will be available until June 30, 2011. Any unexpended funds, as of June 30, 2011, shall revert to CAA, unless the Deputy Director or Assistant Deputy Director of the Division of Financial Assistance authorizes an extension.

CERTIFICATION

The undersigned, Clerk to the Board, does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Board held on November 18, 2008.

Jeanine Townsend
Clerk to the Board